

SERVICE DATE
Nov 14, 2013

PSC REF#:193487

Public Service Commission of Wisconsin
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PUBLIC SERVICE COMMISSION OF WISCONSIN

Application of Wisconsin Public Service Corporation for Authority to
Adjust Electric and Natural Gas Rates

6690-UR-122

ORDER AND REQUEST FOR COMMENTS

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| Comments Due: Thursday, November 21, 2013 - 12:00 noon | Address Comments To: Sandra J. Paske, Secretary to The Commission Public Service Commission P.O. Box 7854 Madison, Wisconsin 53707-7854 |
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This is the Order reopening the record in this proceeding to accept further evidence and to solicit additional comments relating to the application of Wisconsin Public Service Corporation (WPSC) for authority to adjust its electric and natural gas rates. The Commission reopens the record in this docket by its authority under Wis. Stat. ch. 196 and Wis. Stat. § 227.45.

The Commission has conducted an investigation, a public hearing, a technical hearing and open meetings on November 6, 2013, and November 14, 2013, to evaluate WPSC's request. At its open meetings, the Commission discussed using amounts over-collected by WPSC for its 2013 fuel costs to offset the revenue deficiency for the 2014 test year. At its open meeting of November 6, 2013, the Commission directed that comments from the parties and the public be solicited as to whether the Commission should offset the requested electric rate increase in this proceeding with a portion of the expected 2013 fuel over-collections.

At its open meeting of November 14, 2013, the Commission requested additional information be made part of the record in this proceeding. Based upon additional information, and subject to the receipt of comments and any countervailing evidence, the Commission has estimated the revenue deficiency, using WPSC's fuel cost estimate based upon a New York Mercantile Exchange (NYMEX) forecast as of October 15, 2013, and applying the Commission's preliminary determinations made on November 6, 2013, on other revenue requirement issues, is approximately \$15.5 million. The Commission has also estimated that, if it were to use an updated NYMEX forecast as of November 4, 2013, and applying the Commission's preliminary determinations made on November 6, 2013, on other revenue requirement issues, the revenue deficiency would be approximately \$10.5 million. The Commission has also preliminarily determined, subject to the receipt of comments and any countervailing evidence and a final decision as to whether to use updated NYMEX forecasts, that it may use the 2013 fuel over-collections to offset the revenue deficiency and may allocate base rate increases and fuel over-collection refunds for the limited purposes in this proceeding only as set forth in Table 1 (using a revenue deficiency of \$10.5 million) and Table 2 (using a revenue deficiency of \$15.5 million) in Appendix A of this Order. The Commission reserves the right to modify the revenue allocations proposed in Tables 1 and 2 after receipt and review of comments.

IT IS ORDERED:

1. By no later than 12:00 noon on November 15, 2013, Commission staff shall file a delayed exhibit to be identified as Ex.-PSC-Hillebrand-4 that provides Commission staff's preliminary estimate of fuel costs using NYMEX forecasts as of November 4, 2013.

2. By no later than 12:00 noon on November 21, 2013, any party may submit comments on Ex.-PSC-Hillebrand-4, or rebut or offer countervailing evidence on Ex.-PSC-Hillebrand-4.

3. By no later than 12:00 noon on November 21, 2013, WPSC shall file a delayed exhibit to be identified as Ex.-WPSC-Guntlisbergen-5 that provides the 2014 Test Year Electric Net Generation, Fuel and Purchased Power Costs for Fuel Monitoring with the November 4, 2013, NYMEX estimates.

4. By no later than 12:00 noon on November 15, 2013, Commission staff shall file a delayed exhibit to be identified as Ex.-PSC-Hillebrand-5 that provides an estimate of the amount of fuel cost over-collections through October 30, 2013, and an estimate of the total 2013 fuel cost over-collections.

5. By no later than 12:00 noon on November 21, 2013, any party may submit comments on Ex.-PSC-Hillebrand-5, or rebut or offer countervailing evidence on Ex.-PSC-Hillebrand-5.

6. By no later than 12:00 noon on November 21, 2013, all parties shall file comments on whether the Commission should use 2013 fuel over-collections to offset the 2014 revenue deficiency and to allocate base rate increases and fuel over-collection refunds for the limited purposes in this proceeding as proposed in this Order.

7. The Commission requests comments from members of the public as to whether the Commission should offset any 2014 electric rate increase by refunding now to customers costs WPSC has or will receive in 2013 that are in excess of the actual fuel costs for 2013. If the costs are not used now to offset a rate increase in 2014, the fuel cost over-collections will be returned

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to customers at a later date. To file such a comment, go to the Commission's web site at <http://psc.wi.gov>, and click on the "ERF - Electronic Regulatory Filing" graphic on the side menu bar. On the next page, click on "Need Help?" in the side menu bar for instructions on how to upload a document. Any members of the general public shall file only one comment either through the Commission's web site or by mail as follows:

- **Web Comment.** Go to the Commission's web site at <http://psc.wi.gov>, click on the "Public Comments" button on the side menu bar. On the next page select the "File a comment" link that appears for docket number 6690-UR-122.
- **Mail Comment.** All comments submitted by U.S. mail shall include the phrase "Docket 6690-UR-122 Comments" in the heading, and shall be addressed to:

Docket 6690-UR-122 Comments
Public Service Commission
P.O. Box 7854
Madison WI 53707-7854

The Commission will not accept comments submitted via e-mail or facsimile (fax).

Any material submitted to the Commission is a public record and may appear on the Commission web site.

Dated at Madison, Wisconsin, this 14th day of November, 2013.

By the Commission:



Sandra J. Paske
Secretary to the Commission

SJP:JC:cmk:DL: 00886925

APPENDIX A

Table 1: Changes due to an offsetting \$10.5 million fuel refund¹

| Rate Classes | Rate Schedules | Percent Change | Base Change | RSM Change |
|--------------------------------------|-----------------------|-----------------------|--------------------|-------------------|
| Residential Urban | Rg-1 | -0.8% | 0.8% | -1.6% |
| Residential Rural | Rg-2 | -0.8% | 0.8% | -1.5% |
| Urban Res. Optional 2-part TOU | Rg-3-OTOU | -0.9% | 0.9% | -1.8% |
| Rural Res. Optional 2-part TOU | Rg-4-OTOU | -0.9% | 0.9% | -1.8% |
| Urban Res. Optional 3-part TOU | Rg-5-OTOU | -0.6% | 0.6% | -1.6% |
| Rural Res. Optional 3-part TOU | Rg-6-OTOU | -0.6% | 0.6% | -1.6% |
| Small C&I - Urban (<50 KW) | Cg-1 | -0.8% | 0.8% | -1.6% |
| Small C&I - Rural (<50 KW) | Cg-2 | -0.8% | 0.8% | -1.6% |
| Urban Small C&I Optional TOU | Cg-3-OTOU | -0.9% | 0.9% | -1.8% |
| Rural Small C&I Optional TOU | Cg-4-OTOU | -0.9% | 0.9% | -1.8% |
| Small C&I - Rural (50 < KW > 100) | Cg-5 | -1.0% | 1.0% | -1.9% |
| Cg TOU 100-1000 kW | Cg-20-TOU | -1.3% | 1.3% | -2.1% |
| Cp Class | Cp | -1.6% | 1.6% | 0.0% |
| Lighting Service | LS-1 | -0.3% | 0.3% | 0.0% |
| Municipal Ornamental Street Lighting | Ms-31 | -1.6% | 1.6% | 0.0% |
| Automatic Transfer Switch | ATS-1 | 0.0% | 0.0% | 0.0% |
| Parallel Generation | Pg | 0.0% | 0.0% | 0.0% |
| Naturewise | NAT-R | 0.0% | 0.0% | 0.0% |
| Total Decrease | | -1.1% | 1.1% | -1.3% |

¹ This table includes updated NYMEX gas futures and other fuel indices to November 4, 2013, levels. The effect of the updated estimates is a reduction of fuel expense by approximately \$5 million.

APPENDIX A

Table 2: Changes due to an offsetting \$15.5 million fuel refund

| Rate Classes | Rate Schedules | Percent Change | Base Change | RSM Change |
|--------------------------------------|----------------|----------------|-------------|------------|
| Residential Urban | Rg-1 | -1.2% | 1.2% | -1.6% |
| Residential Rural | Rg-2 | -1.1% | 1.1% | -1.5% |
| Urban Res. Optional 2-part TOU | Rg-3-OTOU | -1.3% | 1.3% | -1.8% |
| Rural Res. Optional 2-part TOU | Rg-4-OTOU | -1.4% | 1.4% | -1.8% |
| Urban Res. Optional 3-part TOU | Rg-5-OTOU | -0.9% | 0.9% | -1.6% |
| Rural Res. Optional 3-part TOU | Rg-6-OTOU | -0.9% | 0.9% | -1.6% |
| Small C&I - Urban (<50 KW) | Cg-1 | -1.2% | 1.2% | -1.6% |
| Small C&I - Rural (<50 KW) | Cg-2 | -1.2% | 1.2% | -1.6% |
| Urban Small C&I Optional TOU | Cg-3-OTOU | -1.4% | 1.4% | -1.8% |
| Rural Small C&I Optional TOU | Cg-4-OTOU | -1.4% | 1.4% | -1.8% |
| Small C&I - Rural (50 < KW > 100) | Cg-5 | -1.4% | 1.4% | -1.9% |
| Cg TOU 100-1000 kW | Cg-20-TOU | -1.8% | 1.8% | -2.1% |
| Cp Class | Cp | -2.4% | 2.4% | 0.0% |
| Lighting Service | LS-1 | -0.5% | 0.5% | 0.0% |
| Municipal Ornamental Street Lighting | Ms-31 | -2.3% | 2.3% | 0.0% |
| Automatic Transfer Switch | ATS-1 | 0.0% | 0.0% | 0.0% |
| Parallel Generation | Pg | 0.0% | 0.0% | 0.0% |
| Naturewise | NAT-R | 0.0% | 0.0% | 0.0% |
| Total Change | | -1.6% | 1.6% | -1.3% |

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